

## Message Text

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ACTION DOTE-00

INFO OCT-01 EUR-12 ISO-00 OES-07 EB-07 TRSE-00 COME-00

FEA-01 STR-04 EPG-02 /034 W

-----107137 090335Z /14

R 081501Z JUL 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5761

UNCLAS ROME 11187

PASS DOT/TPI-42 FOR RAMUNDO

E.O. 11652: N/A

TAGS: TGEN, ETRN, IT

SUBJ: GASOLINE TAX IN ITALY

REF: STATE 155741

1. ALL TAX REVENUES COLLECTED IN ITALY ARE DEPOSITED AS GENERAL REVENUE AND RE-ALLOCATED BY GOI ACCORDING TO COUNTRY'S REQUIREMENT. THERE IS NO EARMARKING OF GASOLINE TAXES.

2. PRICE OF GASOLINE IS GOVERNMENT CONTROLLED AND TAXES, COMPOSED OF BOTH MANUFACTURING AND VALUE ADDED TAXES, ARE PASSED DIRECTLY TO THE USER (EXCEPT AS NOTED BELOW) ALTHOUGH COLLECTED FROM THE PRODUCER/IMPORTER. APPROXIMATELY 71.5 PERCENT OF PUMP PRICE (WHICH CURRENTLY IS 500 LIRE PER LITER) IS TAX. AFTER THE MOST RECENT GASOLINE TAX INCREASE (OCTOBER '76 WITH SLIGHT ADJUSTMENTS MADE IN APRIL '77), HOWEVER, THE ENABLING LOGISLATION PROVIDED AN AUTOMATIC TAX CREDIT OF 2,000 LIRE PER MONTH FOR 12 MONTHS (ROUGHLY \$2.30 OR EQUIVALENT TO 4 LITERS OF GASOLINE MONTHLY) TO WAGE AND SALARY WORKERS EARNING UNDER 6 MILLION LIRE GROSS ANNUALLY AND TO SELF-EMPLOYED PERSONS WHOSE BUSINESS INCOME IS UNDER 4.5 MILLION LIRE GORSS.

3. EXEMPTION FROM MANUFACTURING TAX (61 0/0 OF PUMP PRICE)

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IS GRANTED ON GASOLINE USED IN TRACTORS IN AGRICULTURE ON THE CONDITION THAT "REGULAR GOSOLINE" (84/86 RM) IS USED AND NOT "PREMIUM GOSOLINE" AND TO STATE RAILWAY LOCOMOTIVES WITH INTERNAL COMBUSTION ENGINES USING GASOLINE. (IN LATTER CASE NO DISTINCTION IS MADE BETWEEN "REGULAR" OR "PREMIUM" GOSOLINE).

4. SOME RELIEF FROM THE MANUFACTURING TAX (61 0/0 OF TOTAL

PUMP PRICE) TO CERTAIN CATEGORIES OF END USERS IS PROVIDED  
AS FOLLOWS:

- A. FOREIGN TOURISTS (GAS SALES THROUGH COUPONS):  
MANUFACTURING TAX IS REDUCED BY 71.4 0/0.
- B. AMBULANCES: MANUFACTURING TAX IS REDUCED BY 92 0/0;
- C. ENGINE TESTING (MOTOVEHICLES PRODUCING INDUSTRY):  
MANUFACTURING TAX IS REDUCED BY 87.3 0/0;
- D. PETROLEUM EXPLORATION: MANUFACTURING TAX IS REDUCED BY 96 0/0;
- E. TAXI CABS AND SOME SIMILAR PUBLIC SERVICE CONVEYANCES  
AND WATERTAXIS.
  - 1. MANUFACTURING TAX IS REDUCED BY 99 0/0 ON UP TO THE  
FIRST 18 LITERS USED PER DAY IN CITIES HAVING MORE THAN  
500,000 INHABITANTS ON THE FIRST 14 LITERS PER DAY IN CITIES  
HAVING FROM 100,000 TO 500,000 INHABITANTS AND ON THE FIRST  
11 LITERS PER DAY IN CITIES WITH LESS THAN 100,000 INHABITANTS.
- 5. PRINTED MATERIAL AND/OR PUBLICATION CONTAINING COMPRE-  
HENSIVE INFORMATION ON TAXATION ON PETROLEUM PRODUCTS IS NOT  
AVAILABLE. SUCH INFORMATION CAN BE GATHERED ONLY THROUGH THE  
COLLECTION OF VARIOUS LAWS, DECREES AND MINISTRY OF FINANCE  
REGULATIONS RELATED TO MANUFACTURING TAX AND VALUED ADDED TAX  
CHANGES.
- 6. /COMMENT/. THERE MAY BE A CERTAIN PROGRESSIVITY IN THE  
ITALIAN GASOLINE TAX STRUCTURE, EVEN THOUGH THESE TAXES ARE  
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PASSED ON TO THE USER AS STATED IN PARA 1, BECAUSE HIGHER INCOME  
FAMILIES MAY BUY CARS THAT CONSUME MORE GASOLINE PER MILE AND  
MAY HAVE MORE CARS THAN A LOWER INCOME FAMILY. A FURTHER PROGRES-  
SIVE ELEMENT HAS BEEN INTRODUCED BY SOME OF THE TAX EXEMPTIONS  
AND CREDITS CITED ABOVE. THE EMBASSY, HOW , IS UNABLE TO MEASURE  
WITH ANY PRECISION THE OVERALL PROGRESSIVITY OR REGRESSIVITY  
OF THESE TAXES.GARNDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GASOLINE, REPORTS, TAXES  
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**Disposition Approved on Date:**  
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**SAS ID:** 1920347  
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**Status:** NATIVE  
**Subject:** GASOLINE TAX IN ITALY  
**TAGS:** TGEN, ETRN, IT  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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Declassified/Released  
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